GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA

UNSTARRED QUESTION NO:197
ANSWERED ON:13.08.2007
REDUCTION IN INTERNATIONAL BANDWIDTH PRICE
Lagadapati Shri Rajagopal

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether the Telecom Regulatory Authority of India (TRAI) reduced the International Bandwidth Price by 20% ;

(b) if so, the details thereof ;

(c) whether IT/ITES, BPOs etc., have been demanding for lower bandwidth prices ;

(d) if so, the details thereof; and

(e) the steps taken/being taken by the Government to solve the problem ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (DR. SHAKEEL AHMAD)

(a)to(e) Yes, Sir. Telecom Regulatory Authority of India (TRAI) had received a number of representations from various users that the price of International Private Leased Circuit (IPLC) is not competitively determined in India and thus such prices were high as compared to prevalent prices in many countries in the world. In view of this, TRAI has issued a consultation paper entitled "Fixation of Ceiling Tariff for International Private Leased Circuit (half circuit)" dated 30th April, 2004 and invited comments of various stakeholders.Open house discussions were also held in Delhi and Bangalore.Upon conclusion of the consultation process, TRAI fixed a cost based tariff for various capacities of IPLC in India.TRAI had notified a tariff order vide 39th Amendment to Telecom Tariff Order(TTO) dated 08.09.05 effecting a reduction that ranges from about 30% to 64% across various capacities, from the existing market rates in respect of IPLC.

Ceiling tariff fixed for International Private Leased circuits as given below:-

Capacity/Speed	Ceiling tariff per Annum (Rupees in Lakhs)
E-1 (2 Mbps)	13
DS-3 (Digital Signal – 3)	104
STM-1 (Synchronous Transport Module-1)	299

This ceiling tariff was implemented on 29.11.2005.

Competitively priced bandwidth prices has helped, Inter-alia, penetration of broadband and internet service, Information Technology (IT) IT-Enabled Service Enterprises like Business Process Outsourcing, Corporate Enterprises etc. This, in turn, will have an overall positive impact on the economy of the country.